

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6771

BILL NUMBER: HB 1702

NOTE PREPARED: Mar 21, 2003

BILL AMENDED: Mar 20, 2003

SUBJECT: Immunization for Chicken Pox.

FIRST AUTHOR: Rep. Brown C

FIRST SPONSOR: Sen. Miller

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires a child who enters kindergarten or Grade 1 to be immunized against chicken pox after June 30, 2004. The bill provides that the immunization is not required if a parent provides a written signed statement indicating that the child has a history of chickenpox.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *Summary:* The state fiscal impact of adding varicella (chicken pox) to the list of required immunizations for children living or entering school in Indiana is believed to be limited to the \$8.00 Medicaid charge for the administration of the vaccine. (The state share of this fee is \$3.04.) Medicaid-eligible children have been entitled to the varicella vaccine through the federal Vaccines for Children program (VFC) for several years. There is no cost to Medicaid for the vaccine itself. Any cost to the state as a result of this bill would be limited to the administration cost for Medicaid-eligible children who may not have received the full panel of recommended immunizations and are not covered by risk-based managed care.

The State Department of Health has reported that the requirement of varicella immunizations will have no state fiscal impact. The vaccine necessary for the state required immunizations would be purchased with federal "317 Program" funds. The Department reported that they have sufficient grant funds available to buy the necessary vaccines.

Background Information: Administration of varicella (chicken pox) vaccine is recommended at 12 to 18 months of age by the American Academy of Pediatrics and the Center for Disease Control's Advisory Committee on Immunization Practices. The vaccine costs the State Department of Health \$41.44 per dose

under contracts negotiated by the CDC. Local health departments administer immunizations for approximately 27% of the state's children. The Department also purchases vaccines for the children covered by Package C of Hoosier Healthwise (CHIP). These children are not covered by the VFC entitlement. It is less costly for the Department to purchase the vaccine used in CHIP than it would cost to buy the products on the open market.

The remaining population is eligible for the federally funded Vaccines for Children (VFC) program or is privately insured. The VFC entitlement program provides federally purchased vaccines for children from birth to age 18 who are enrolled in Medicaid, uninsured, or who are Native Americans. Children who have insurance that does not cover immunizations may receive VFC benefits at Federally Qualified Health Care Centers or Rural Health Clinics. Private providers may also enroll in the VFC Program and administer vaccines to eligible children.

Explanation of State Revenues:

Explanation of Local Expenditures: Local health department clinics would have one additional immunization required for administration. The impact this requirement would have on the necessary local resources is unknown.

Explanation of Local Revenues:

State Agencies Affected: State Department of Health, Children's Health Insurance Program; Office of Medicaid Policy and Planning, Family and Social Services Administration.

Local Agencies Affected: Local health departments and school corporations.

Information Sources: Meeting Minutes of the Indiana Health Finance Commission, September 26, 2001. Zach Cattell, Legislative Liaison for the Department of Health, (317)-233-2170. National Immunization Program, Vaccines for Children (VFC), Website at: <http://www.cdc.gov/nip/vfc/about.htm>

Fiscal Analyst: Kathy Norris, 317-234-1360